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May 3, 1963

TO: The Acting Secretary
FROM: ARA - Edwin M. Martin
SUBJECT: Sugar

*Cop 11 thru 25
Destroy 5/29*

[Redacted]

I attach an INR memorandum, a copy of which has already been sent to Mr. Bundy, on the sugar situation.

From this memorandum and discussions with sugar experts I am convinced of several things:

1. The present high prices and tight market represent a real shortage of sugar in the world.
2. The Soviet Union is not holding sugar off the market -- Cuban or otherwise. In fact there is some evidence that satellites are exporting more than usual. Therefore the high price is not the result of Soviet rigging of the market.
3. To keep United States prices down the Department of Agriculture is doing everything it can to increase supplies of sugar in the world and for the United States in the foreseeable future.
4. Even with a good beet crop in Europe this year and a good cane crop in early 1965, the sugar situation will still not return to the surplus and low price condition of a year ago. It will take until the end of 1964 with another beet crop but more probably into 1965 before there is any material change in the situation.

[Redacted]

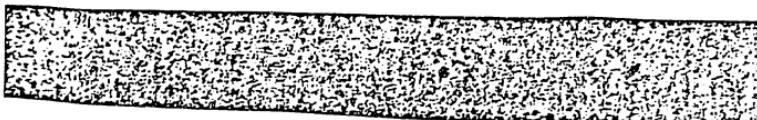
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SANITIZED

(204.84-29)
NARS, DATE 5/10/84
BY [Signature]

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Attachment:

INR - Research Memorandum
RES-15, April 19, 1963

AH:A:EMMartin:lh

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